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SIPDIS

FOR EAP/MTS AND INR

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TAGS: [PGOV](#) [PINR](#) [KDEM](#) [MY](#)  
SUBJECT: WILL SABAH DEFECT?

Classified By: Political Section Chief Mark D. Clark, reason 1.4 (b and d).

Summary

1. (C) Sabah politicians of all walks criticized Prime Minister Abdullah's leadership and the National Front (BN) government's marginalization of Sabah during polchief's meetings in the east Malaysia state, June 18-20, which took place as a small Sabah BN party, SAPP, announced its two MPs would support a no-confidence vote against the PM. Many politicians believed SAPP may have jumped the gun, but they also saw SAPP's public opposition to Abdullah as highly popular with voters and feared BN would be soundly defeated if an election were held soon. While an additional 6 to 12 BN MPs reportedly are considering breaking ranks, they appear to have adopted a wait-and-see attitude for now. Seeing a "window of opportunity," Sabah politicians seek political leverage and personal gain out of BN's sense of crisis, and from Sabah's critical role in maintaining BN's parliamentary majority. Opposition to Abdullah's continuation as Prime Minister, however, does not necessarily translate into support for opposition leader Anwar Ibrahim, and UMNO leaders who want Abdullah to step down could also take advantage of Sabah's discontent. End Summary.

Sabah Leaders Identify Common Concerns

2. (C) Polchief and FSN political specialist visited Sabah June 18-20 and held nine separate meetings with senior politicians from both the ruling National Front (BN) coalition (the United Malays National Organization, UMNO; the United Sabah Party, PBS; the United Pasok Momongan Kadazan Party, UPKO; the Sabah Progressive Party, SAPP), and the opposition (the Democratic Action Party, DAP; the Peoples Justice Party, PKR). The Sabah politicians, even those of UMNO, were united in their complaints of Sabah's persistent marginalization by national BN and UMNO leaders. They also identified the same set of significant problems facing the state: massive illegal immigration from the Philippines and Indonesia (including migrants illegally granted national ID cards to swing past votes in favor of UMNO); inadequate royalty from Sabah's rich oil and gas production; the high cost economy compared to Peninsular Malaysia; and economic restrictions imposed by the federal government such as on shipping. Non-Muslim politicians also voiced strong concerns over increasing Muslim Malay influence.

No Support for Abdullah

3. (C) We found no expressions of support for the leadership of Prime Minister Abdullah in any of our meetings. All

politicians resented Sabah's under-representation in Abdullah's cabinet, particularly in light of East Malaysia's contribution of over one-third of BN parliamentary seats. To various degrees, BN politicians, including the two Deputy Chief Ministers we met, joined their opposition counterparts in criticizing the Prime Minister for ineffective leadership and for not addressing Sabah's concerns. Deputy Chief Minister and PBS President Joseph Pairin Kitingan said he hoped that PM Abdullah would resign soon so that BN could regroup under a stronger leader. Deputy Chief Minister and PBS Vice President Yee Moh Chai described the Prime Minister as weak and unable to carry out decisions. UMNO warlord and former Chief Minister Salleh Said Keruak said Abdullah's "stubborn" insistence in remaining Prime Minister was "destroying UMNO." UPKO Secretary General Wilfred Tangau was highly critical of Abdullah as weak, out of touch, and unable to fulfill recent promises made to Sabah. On June 18, BN component party SAPP publicly declared its support for a no-confidence motion against Abdullah (see below).

#### Snap Election Would Mean BN Defeat

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¶4. (C) BN politicians from UMNO, PBS, and UPKO all estimated their parties would lose badly if a snap election were held soon. Public sentiment stood firmly against the BN, particularly in the wake of the fuel price increases. Opposition parties failed miserably in the March election (taking only 1 out of 25 parliament seats) in large part because Sabahans did not believe the Opposition had any chance of winning; the March 8 result demonstrated otherwise and many more people would now vote against BN. SAPP Stands Alone for Now

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¶5. (C) SAPP President and former Chief Minister Yong Teck Lee, who drew national attention with his June 18 declaration that SAPP's two MPs would introduce or support a no-confidence motion against PM Abdullah, said his party had made this controversial decision because the Prime Minister is incompetent, cannot follow through on his promises, and cannot address Sabah's priorities. (Comment: Some other politicians said Yong, as leader of a very small party and holding no office himself, had little to lose in the gamble and took the stance in a bid to regain political relevance. End Comment.) Yong predicted a near-term no-confidence motion would not succeed, but still had symbolic value. BN likely would kick out SAPP, but SAPP had no plans to join the opposition alliance and would wait for the next election to reenter government. Yong did not expect other BN parties to immediately follow SAPP's lead. UMNO politicians stood to gain too much money from the party election process that runs through December, and other BN parties were not ready to break ranks.

#### Did Anwar Orchestrate SAPP's Move?

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¶6. (C) Yong denied that SAPP's breaking of ranks with Abdullah had been orchestrated by Anwar Ibrahim, and stated the party's decision was not linked to an opposition strategy. Sabah PKR chief Jeffrey Kitingan, however, claimed that Yong had discussed SAPP's position in advance with Anwar and the move was coordinated with other disaffected Sabah MPs who would follow in due course (see below). Separately, PKR state liaison officer Ansari Abdullah commented that SAPP had "moved too fast." Ideally, the opposition wanted one or several MPs from Sarawak and the Peninsular Malaysia to break with BN soon, but Ansari explained that Anwar Ibrahim personally was carrying out negotiations with would-be defectors and only Anwar knew the details. In contrast to PKR's views, the opposition DAP's state chief Hiew King Cheu argued that SAPP's decision did not represent a coherent opposition strategy and instead reflected Yong's personal hubris.

#### SAPP Move Popular, Others May Follow

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¶7. (C) By and large, BN state party leaders believed that SAPP's move was highly popular within Sabah. UPKO's Wilfred Tangau said Yong had made himself into a "hero." UPKO had debated whether to endorse the same position, and decided that individual MPs would be allowed to vote their conscience should it come to a no-confidence vote against PM Abdullah. UMNO's Salleh Said Keruak commented that Yong had acted "too soon," and SAPP's action could force others to speed up their decision making or risk losing popular support. Matter-of-factly, Salleh stated that between 8 and 14 BN MPs (out of Sabah's 25 seats) would leave BN, naming 5 from UMNO and 4 from UPKO, in addition to 2 from SAPP. PBS appeared less likely to break with BN at this juncture, multiple sources concluded. PBS president Pairin Kitingan stated his party would stick it out within BN for the time being despite his grudging recognition that many Sabahans would applaud SAPP's stand.

But Will They Join with Anwar?

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¶8. (C) While freely criticizing PM Abdullah and discussing possible defections from BN, Sabah politicians offered no common view on whether opposition to Abdullah's continuation as Prime Minister would translate into support for Anwar Ibrahim and the opposition alliance's hopes to bring down the BN government, or endorsement of another UMNO leader as Prime Minister. The politicians we interviewed were split on views of Anwar Ibrahim. SAPP leader Yong believed Anwar was popular in Sabah, particularly among Malays, but he emphasized SAPP did not plan to join the opposition alliance Pakatan. UMNO warlord Salleh concurred on Anwar's popularity, citing Anwar's public promise to increase Sabah's oil and gas royalties to 20 percent, and his private pledge of political autonomy for the state. While DAP and PKR in theory are partners in the opposition alliance, DAP state leader Hiew spoke scornfully of Anwar Ibrahim, asking rhetorically, "why should anyone sacrifice for Anwar's ambitions?" PBS' Pairin Kitingan voiced his distrust of Anwar who "is only interested in becoming Prime Minister."

¶9. (C) Some Sabah politicians discussed forming a third block, separate from both BN and Pakatan. DAP party members spoke positively of joining UMNO veteran Tengku Razaleigh in forming a third parliamentary block led by Razaleigh and incorporating disaffected MPs from UMNO, East Malaysia, and PKR, along with DAP. Other politicians, including PBS leader Pairin, simply appeared to endorse DPM Najib taking over immediately from Abdullah.

Comment - Window of Opportunity

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¶10. (C) Sabah's fractured and highly opportunistic political scene, and the perception of Abdullah as a waning and ineffective leader, make Sabah a fertile field for the Prime Minister's opponents. We heard repeatedly that Malaysia's current political situation, with a suddenly emergent opposition and East Malaysia's MPs representing the margin needed to maintain BN in power, represented a "window of opportunity" for Sabah. Sabah's BN politicians are actively considering ways to leverage their new importance in the parliamentary balance -- whether to better address Sabah's unique concerns, or to personally profit from the situation by selling their support, or both.

¶11. (C) It appeared from our visit that SAPP's announcement of no-confidence in PM Abdullah at least had been encouraged by Anwar Ibrahim, but was not part of a definitive opposition plan signaling the imminent defection of a significant number of MPs. SAPP may have jumped the gun, and also may be hedging its bets by not joining Pakatan. While we heard that roughly half of Sabah's 24 BN MPs could break ranks, with defections most likely from UPKO and UMNO, these politicians seem to have adopted a wait-and-see approach for now. Moving into opposition to PM Abdullah, however, does not necessarily translate into support for Anwar Ibrahim. UMNO leaders seeking to block Abdullah from seeking reelection in the

December party elections could also gain advantage in Sabah. Sabah's political elites will want to choose their options carefully to emerge on the winning side.

KEITH